

Message Text

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ACTION AF-18

INFO OCT-01 ADP-00 AID-20 IGA-02 CIAE-00 DODE-00 PM-09

H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SS-15 USIA-12 OMB-01 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 CEA-02 EUR-25

NEA-10 AGR-20 HUD-02 BNDE-00 SNM-02 FBIE-00 PC-04

CU-04 RSR-01 /219 W

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R 101337 Z MAY 73

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 8983

C O N F I D E N T I A L SECTION 1 OF 2 RABAT 2151

E. O. GDS

TAGS: PFOR MO

SUBJ: US- MOROCCAN RELATIONS

REF: STATE 08583

1. SUMMARY: MISSION RECOMMENDS PRESENTATION TO KING OF " GLOBAL PACKAGE" COMPRISING ALL ASSISTANCE WE PROPOSE OFFER TO MOROCCO DURING FY 1974. PACKAGE TOTALS \$70 TO \$80 MILLION DEPENDING ON HOW IT COUNTED. END SUMMARY.

2. WE HAVE BEEN GIVING GOOD DEAL OF THOUGH TO QUESTION HOW WE SHOULD RESPOND TO RECENT MOROCCAN REQUESTS FOR MORE AID. INCREASED MOROCCAN ASPIRATIONS HARD TO RECONCILE WITH DIMINISHING US AVAILABILITIES. WHILE MOROCCANS MAY UNDERSTAND OBJECTIVELY FACT AHAT WE HAVE LESS MONEY TO SPEND ON THEM, THEY LIKELY INTERPRET IT SUBJECTIVELY AS SIGN OF DIMINISHED INTEREST. WE HAVE NOTHING TO ASHAMED OF AS FAR AS AID TO MOROCCO CONCERNED, BUT MOROCCANS TEND THINK ONLY IN TERMS WHAT WE
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WILL DO FOR THEM TOMORROW, NOT WHAT WE HAVE DONE FOR THEM LATELY.

2. TO SOME EXTENT, FROM POLITICAL POINT OF VIEW PSYCHOLOGICAL IMPACT IS AS SIGNIFICANT AS OUR REAL CONTRIBUTION TO MOROCCAN ECONOMY. EXCHANGES OF VISITS AND OTHER OVERT INDICATIONS AMERICAN INTEREST, EVEN THOUGH THEY CARRY WITH THEM NO IMMEDIATE OR PALPABLE AID TO MOROCCO, CONVEY USEFUL ASSURANCE TO KING AND HIS GOVERNMENT THAT UNITED STATES STILL REGARDS MOROCCO AS IMPORTANT. THERE ARE LIMITS TO HOW MUCH WE CAN DO IN THIS REGARD, HOWEVER. GLOW OF BENHIMA- NEWSOM VISIT IS BEGINNING TO WEAR OFF IN WAKE OF DETERIORATING SITUATION IN NEAR EAST AND UNCERTAINTIES RE PL 480; WE NEED TO RESPOND SOON TO MOROCCANS LEST THEY DRAW UNFOUNDED CONCLUSION WE HAVE LOST INTEREST.

3. WE HAVE FOR SOME TIME HAD IMPRESSION THAT MOROCCANS HAVE HAD MORE FOREIGN AID OFFERS THAN THEIR INEFFICIENT INFRASTRUCTURE CAN ABSORB AND PUT TO USE. THEIR LACK OF PRECISION AS TO WHAT THEY WANT FROM US NOW IS SYMPTOMATIC OF THEIR INEFFICIENCY IN THIS REGARD. FACT IS, HOWEVER, THAT THERE IS GOING TO BE A STEEP INCREASE IN MOROCCAN NEED FOR EXTERNAL CAPITAL SUPPORT UNDER NEW FIVE YEAR PLAN. WE UNDERSTAND NEW PLAN WILL INVOLVE TOTAL PUBLIC AND PRIVATE EXPENDITURE OVER 5- YEAR PERIOD OF SOME \$4.5 BILLION AS OPPOSED TO \$3 BILLION UNDER PREVIOUS PLAN (BOTH FIGURES AT ARBITRARY EXCHANGE RATE OF DH4 TO THE DOLLAR). GOM WILL PROBABLY BE ABLE TO FINANCE 50 PERCENT OF PUBLIC INVESTMENT, BUT WILL NEED TOTAL NET FOREIGN AID IN THE NEIGHBORHOOD OF \$ 200-250 MILLION A YEAR, IF PLAN IS TO BE FINANCED. THIS EXPLAINS WHY MOROCCANS ARE ASKING ALL PRESENT AND POSSIBLE FUTURE DONORS FOR " GLOBAL AID." EXACT MEANING OF THAT TERM NOT SPELLED OUT, BUT IT CLEAR MOROCCANS WANT MORE CASH IN PARTICULAR.

4. IN 1971 WE PROVIDED ONE THIRD OF FOREIGN ECONOMIC ASSISTANCE GIVEN TO MOROCCO. WERE WE ABLE TO MAINTAIN SAME PROPORTION, AND ASSUMING MOROCCANS GET AID THEY NEED FINANCE PLAN, OUR PORTION WOULD BE SOME \$80 MILLION PER YEAR. WE THINK IT POSSIBLE TO PUT TOGETHER PACKAGE WHICH NOT TOO FAR SHORT OF \$80 MILLION, ALTHOUGH GENERALLY CONFIDENTIAL

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SPEAKING IT WILL NOT BE IN FORM OF CASH TRANSFERS WHICH MOROCCANS WANT, BUT RATHER IN FORM OF CONCESSIONARY AND COMMERCIAL (HIG) LOANS. OUR OVERALL ASSISTANCE RATIONALE SHOULD JUSTIFY A MIX OF ECONOMIC DEVELOPMENT AND SUPPORTING ASSISTANCE FUNDING.

5. WE DO NOT KNOW WHERE ELSE MOROCCANS WOULD GET FUNDS

THEY CONSIDER THEY NEED. FRENCH, GERMANS AND SOVIETS ARE
MOST LIKELY PROSPECTS. FRENCH SUSCEPTIBLE TO PRESSURES
BECAUSE THEY HAVE LARGE COMMUNITY HERE AND BECAUSE OF
LONG TRADITIONAL INTEREST IN MOROCCO. GERMANS HAVE
ALREADY DEMONSTRATED CONSIDERABLE G
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C O N F I D E N T I A L SECTION 2 OF 2 RABAT 2151

5. AN UNDERTAKING TO CONTINUE TECHNICAL AND FAMILY
PLANNING GRANT ASSISTANCE AT PRESENT LEVEL AND TO REINSTATE
THE GENERAL PARTICIPANT TRAINING PROGRAM TO PROVIDE 25
SCHOLARSHIPS PER YEAR IN UNITED STATES IN ANY FIELD
DESIRED BY GOM. (COST \$3 MILLION.)

6. ENCOURAGE GREATER IBRD PARTICIPATION IN FINANCING
OF FIVE YEAR PLAN.

7. UNDERTAKE TO INCREASE DIRECT LOCAL PROCUREMENT
BY KENITRA TO MAXIMUM EXTENT POSSIBLE.

8. OFFER AAIN TO ARRANGE FOR VISIT TO UNITES STATES
BY MOROCCAN TRADE AND INVESTMENT MISSION AND OFFER SERVICES
OF AN AMERICAN INDUSTRIAL ADVISOR TO HELP BUREAU DES ETEUDES
ET PARTICIPATIONS INDUSTRIELLES WITH STUDIES AND PLANS FOR
INDUSTRIALIZATION. I WOULD PLAN TO POINT OUT TO KING IN
THIS REGARD THAT GOM ITSELF MUST TAKE ACTION TO FACILITATE
AMERICAN INVESTMENT IN MOROCCAN INDUSTRY, AND PARTICULARLY
TO CLARIFY SITUATION REGARDING MOROCCANIZATION.
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9. PEACE CORPS. NOTE THAT WE ARE PLANNING TO MAINTAIN ABOUT 195 PEACE CORPS VOLUNTEERS IN MOROCCO DURING THIS COMING FISCAL YEAR. THEY WILL BE WORKING IN THE TEACHERS (65), ELEMENTARY SCHOOL TEACHER TRAINEES (15), WOMEN EDUCATION (FOYER GARDERIE) (25), ARCHITECTS/ URBANISTS (15), HEALTH (7), VOCATIONAL EDUCATION (10). TOTAL COST OF THIS PROGRAM IS ABOUT \$1,150,000.

10. TOTAL AID PROPOSED ABOVE IS \$61 TO \$66 MILLION, DEPENDING ON SIZE OF PL 480 PROGRAM, AND NOT INCLUDING IBRD OR EXIM.

B. MILITARY/ SECURITY

1. GIVE AN UNDERTAKING TO CONTINUE OUR MILITARY ASSISTANCE PROGRAM TO MOROCCO. NOTE THAT ALTHOUGH WE ARE AT PRESENT UNABLE TO SPECIFY WHAT AMOUNTS WILL BE AVAILABLE IN COMING FISCAL YEARS, PRESIDENT HAS ASKED CONGRESS FOR \$12 MILLION IN FMS CREDITS AND \$1 MILLION FOR TRAINING.

2. OFFER TO GIVE MOROCCANS INCREASED ASSISTANCE WITH PROCUREMENT AND MAINTENANCE IF THEY ARE INTERESTED IN ACQUISITION SURPLUS US EQUIPMENT. WE HAVE IN MIND SHOWING THEM HOW THEIR DOLLARS WILL GO FURTHER.

3. OFFER TO PROVIDE TRAINING AND TECHNICAL ASSISTANCE FOR BORDER SURVEILLANCE.

4. AN OFFER TO PROVIDE FOUR SPACES PER YEAR IN THE INTERNATIONAL POLICE ACADEMY COURSES.

5. AN OFFER TO HAVE BNDD CONDUCT A SEMINAR ON DRUG DETECTION HERE FOR THE MOROCCAN POLICE, AS THEY DID LAST YEAR FOR THE ENDARMERIE.

6. AN OFFER OF TWO TRAINING SLOTS PER YEAR AT FBI ACADEMY.

7. APPROVAL OF THE KING' S REQUEST FOR PURCHASE
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OF M-16 RIFLES.

7. TOTAL MILITARY AID - \$13 MILLION PLUS.

C. POLITICAL

1. PROPOSE A BRIEF VISIT HERE BY PRESIDENT. WE HAVE SEEN PUBLISHED REPORT PRESIDENT MAY BE PLANNING T VISIT ONE AFRICAN COUNTRY AT END HIS TRIP TO EUROPE IN LATE SUMMER. WHETHER OR NOT HE GOES TO ANOTHER AFRICAN COUNTRY, IT WOULD BE MOST USEFUL TO OUR POSITION HERE IF HE COULD MAKE A TECHNICAL STOP IN RABAT ON WAY HOME AND TAKE THREE OR FOUR HOURS TO ACCEPT KING' S INVITATON, CONVEYED TO NEWSOM, FOR RELAXED PRIVATE LUNCH. CEREMONY COULD BE REDUCED TO A MINIMUM AND VISIT COULD BE KEPT INFORMAL. I CANNOT OVEREMPHASIZE HOW MUCH SUCH A VISIT WOULD BE APPRECIATED LOCALLY.

(2) RENEW INVITATION TO KING HASSAN TO VISIT UNITED STATES IN LATTER HALF FY 1974. THIS WOULD BE SECOND BEST TO PRESIDENTIAL STOPOVER, BUT WOULD BE USEFUL NEVERTHELESS.

(3) BEGIN SERIES OF CONFIDENTIAL CONSULTATIONS WITH FONMIN.

D. PSYCHOLOGICAL/ CULTURAL/ SOCIAL

(1) OFFER TO BRING IN DOCTORS AND AID AUSPICES TO WORK WITH THELMOROCCANS IN SPECIFIC MEDICAL FIELDS-- EXMAPLES: CURRENT OPTHAMOLOGY PROJECT IN ALGERIA.

(2) OFFER TO ASSIST IN DEVELOPPNG MORCCAN JOB CORPS FOR UNEMPLOYED YOUTH.

(3) OFFER TO EXPAND OUR USIS ENGLISH TEACHING PROGRAM AND TO PROVIDE WORKING SCHOLARSHIPS FOR MOROCCAN RADIO AND TELEVISION PERSONNEL WITH THE VOA IN WASHINGTON (GOM TO PAY TRAVEL).

(4) ENCOURAGE OPERATION CROSSROADS TO UNDERTAKE PROJECTS SUCH AS SCHOOL BUILDING OR REPAIR OF LOCAL RECREATIONAL FACILITIES.

(5) REINSTATE SELF- HELP FUND (\$50,000) TO ENABLE US TO RESPOND
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QUICKLY TO SUITABLE GOM REQUESTS.

(6) SUGGEST THAT AN EXCHANGE PROGRAM IN ISLAMIC STUDIES BE SET UP BETWEEN MOHAMMED V UNIVERSITY AND ONE OR MORE AMERICAN UNIVERSITIES WITH PARTICULAR INTEREST IN MOROCCO (TEXAS, MICHIGAN, MINNESOTA, PRINCETON AND HARVARD COME TO MIND IMMEDIATE-
LY).

(7) AS EARNEST OF US INTEREST IN MOROCCO, CONSTRUC-
TION OF COMMERCAIL- CULTURAL COMPLEX WITH MOROCCAN AND AMERICAN PARTICIPATION.
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